GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:629
ANSWERED ON:26.02.2016
Interest Rate on Bank Loan
Joshi Shri Chandra Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to reduce the interest rate on bank loans;

(b) if so, the details thereof; and

(c) The other steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (c): With the introduction of Base Rate system since July 1, 2010, all rupee lending rates (including advances up to Rs.2 lakh) have been deregulated. In a deregulated environment, the interest rates on all types of advances are now determined by banks themselves based on their commercial judgement.
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